

NEW HAMPSHIRE STATE LIQUOR COMMISSION

MINUTES OF MEETING – JANUARY 25, 2006

PRESENT: Chairman Anthony Maiola; Commissioner John Byrne; Craig Bulkley, Bureau Chief of Administrative Services; Howard Roundy, Director of Information Technology; John Bunnell, Administrator of Sales and Marketing; Peter Engel, Director of Stores; Evie Taft, Human Resources Administrator; Rick Gerrish, Spirits Marketing Specialist; Nicole Brassard, Wine Marketing Specialist; Kathleen McCabe, Purchasing Director;

Guests: Doreen Wittenberg, Business Supervisor; Al Picconi, United Beverages, Inc. & Mike Goclowski, Law Warehouses.

EXCUSED: Commissioner Patricia Russell, Chief, Eddie Edwards, Enforcement

Introductions: John Bunnell announced that Kathy McCabe will be attending this meeting weekly as requested by Commissioner John Byrne.

FINANCIAL & ADMINISTRATIVE REPORTS

1. Financial Reports

A. Weekly, Y-T-D Sales Reports:

The SA1000 report for the week ending January 22, 2006 shows retail sales were up 9.4 %, on- premise sales were down 0.0592 %, off-premise sales were down 5.46 %, and total aggregate sales were up 5.93 % . The traffic count was up 11,643 and the average sale was \$31.45

The W-1 Total Weekly Sales report states were up 9.36 % this week from this time last year. Year to date we are up 5.93 %. Wine sales are up 6.78%. Year to date we are up 5.98%. Sales of spirits were up 11.70% and year to date we are up 5.89 %.

There was nothing of significance to report regarding depletions or gift card sales over the past week.

B. Budget/Administrative Reports:

Craig reported last week that Governor and Council will be meeting on Thursday, January 25, 2006 and we have two items on the agenda regarding our vehicles.

There are no current legislative hearings scheduled at this time until February. Craig will update the commission on future dates as they become available. Craig has included an updated list of bills for review at this time. Added to this list, is SB 355 as requested by Eddie Edwards, Chief of Enforcement regarding unlawful possession of alcohol by a minor.

Craig and Howard will be meeting with Rick Wistler from Lottery and a representative for Scientific Games regarding the technical aspects and our availability to print tickets from our cash registers in the Stores.

The current W-6 Expense Budget Activity Variance Report shows to be 55 % of the year complete. However, monies for utilities and overtime are being closely watched at this time.

George is in the process of putting together paperwork for Governor and Council regarding additional grant funds available for the Bureau of Enforcement.

The Accountant IV position closes on Friday, January 27, 2006. Evie will notify George when we are ready to schedule interviews.

2. IT Report:

We are still having communication problems with poling from stores but only a few at this time.

Howard is reviewing an RFP for POS Hardware Replacement.

3. Human Resources Report:

Appraisal Reports – We are only missing evaluations for five stores, one from Enforcement and one from Marketing.

II. **MARKETING AND SALES REPORTS**

1. Store Operations:

Total Store Sales for the week ending January 22, 2006 were up 11.45%. A Supervisor's Meeting was held on January 24, 2006, this meeting was held in a less formal setting and seemed to work out nicely and the staff were pleased with the results.

2. Purchasing Report: - Kathy McCabe distributed an updated out of stock report.

3. Merchandising Report:

A. **SPIRITS:**

1) 1 item - March Special Offers

It was moved by Chairman Maiola, seconded by Commissioner Byrne, that the Commission approve a special offer from Horizon Beverages, based upon a special purchase allowance for one (1) spirit item, as recommended by Rick Gerrish, Spirits Marketing Specialist and concurred by John Bunnell, Administrator of Marketing and Sales. The motion was unanimously adopted.

B. **WINES:**

1) 21 items - March Special Offers

It was moved by Chairman Maiola, seconded by Commissioner Byrne, that the Commission approve a special offer from MS Walker, based upon a special purchase allowance for twenty-one (21) wine items, as recommended by Nicole Brassard, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing and Sales. The motion was unanimously adopted.

2) 57 items - March Special Offers

It was moved by Chairman Maiola, seconded by Commissioner Byrne, that the Commission approve a special offer from E & J Gallo, based upon a special purchase allowance for fifty-seven (57) wine items, as recommended by Nicole Brassard, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing and Sales. The motion was unanimously adopted.

3) 38 items - March Special Offers

It was moved by Chairman Maiola, seconded by Commissioner Byrne, that the Commission approve a special offer from Horizon Beverages, based upon a special purchase allowance for thirty-eight (38) wine items, as recommended by Nicole Brassard, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing and Sales. The motion was unanimously adopted.

4) Increased Distribution:

Voga Pinot Grigio

It was moved by Chairman Maiola, seconded by Commissioner Byrne, that the Commission approve a request from MS Walker to expand the distribution of Code #42579, 750 ML size by keeping product in all cluster one and two stores and placing three absolutes in cluster three stores as recommended by Nicole Brassard, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing and Sales. The motion was unanimously adopted.

5) Delist:

Las Brias

As a result of the purchase and display of Code #42691, Las Brias, It was moved by Chairman Maiola, seconded by Commissioner Byrne, that the Commission vote to delist this product and place on closeout pricing as recommended by Nicole Brassard, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing and Sales. The motion was unanimously adopted.

6) Closeouts:

Domestic Chardonnays

It was moved by Chairman Maiola, seconded by Commissioner Byrne, that the Commission vote to remove from retail a list of selected domestic chardonnays with the lowest gross profit dollars in the category and reduce pricing to make room for new items in this category as recommended by Nicole Brassard, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing and Sales. The motion was unanimously adopted.

7) Bolla Consumer Sweepstakes

It was moved by Chairman Maiola, seconded by Commissioner Byrne, that the Commission approve a request from Horizon Beverages to offer a consumer sweepstakes during the months of March and April as recommended by Nicole Brassard, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing and Sales. The motion was unanimously adopted.

8) In-Store Tasting – (Codes #18027) Rosa Regale

It was moved by Chairman Maiola, seconded by John Byrne, that the Commission approve an in-store tasting from Horizon Beverages for one (1) wine code as recommended by Nicole Brassard, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing and Sales. The motion was unanimously adopted.

9) Buy One Get One Half Off Promotion – March, 2006

It was moved by Chairman Maiola, seconded by Commissioner Byrne, that the Commission approve a request from Martignetti Companies of NH on behalf of Rodney Strong Wines to offer a Buy One, Get One Half Off promotion scheduled for the month of March, as recommended by Nicole Brassard, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing and Sales. The motion was unanimously adopted.

10) Recommended Allocated Wines for Distribution to Selected Stores (9 items)

It was moved by Chairman Maiola, seconded by Commissioner Byrne, that the Commission approve nine (9) allocated wine items for distribution to selected stores, as recommended by Nicole Brassard, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing and Sales. The motion was unanimously adopted.

11) Primary Source Submissions (6 items – primary source; 1 items - exclusive agent)

It was moved by Chairman Maiola, seconded by Commissioner Russell, that the Commission approve the listing of six (6) wine codes which are primary source, one (1) wine code which are not from primary source, but are offered by the exclusive marketing agent as recommended by Nicole Brassard, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing and Sales. The motion was unanimously adopted.

III. ENFORCEMENT & LICENSING REPORT - None

IV. CHAIRMAN'S REPORT & LATE ITEMS

1. Bailment Requests:

It was moved by Chairman Maiola, seconded by Commissioner Byrne, that the Commission approve all previously reviewed requests for bailment releases/transfers Dated January 16 – January 22, 2006. The motion was unanimously adopted.

2. Coupon Approvals: None.

3. Late Items/Other: None.

Anthony C. Maiola, Chairman

John Byrne, Commissioner

Lisa Lassonde